



MINUTES
STATE BOND COMMISSION
MEETING OF DECEMBER 14, 2010
COMMITTEE ROOM E
STATE CAPITOL BUILDING

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Treasurer Kennedy called the meeting to order. Then Ms. W. Sittig called the roll.

MEMBERS PRESENT:

Mr. Timmy Teepell, representing Governor Bobby Jindal
(arrived during discussion on Item 11, left before roll call vote on Item 31)
Lt. Governor Jay Dardenne (arrived during discussion on Item 11)
Secretary of State Tom Schedler
Mr. Rick McGimsey, representing Attorney General James Caldwell
Senator John Alario, representing President Joel Chaisson
Senator Michael Michot
(arrived during discussion on Item 11, left before roll call vote to add S10-064 to agenda)
Senator Ed Murray, representing Senator Lydia Jackson
Speaker Jim Tucker (arrived during discussion on Item 24)
Representative Michael Jackson, representing Representative Hunter Greene
(left before roll call vote on Item 31)
Representative Jeff Arnold
Mr. Mark Brady, representing Commissioner Paul Rainwater
Treasurer John Kennedy

MEMBERS ABSENT:

Senator Robert Marionneaux
Representative James Fannin

Representative Jackson moved approval of the minutes of the December 6, 2010 meeting, seconded by Senator Alario, and without objection, the minutes were approved.

Mr. Kling provided a synopsis on Items 3 through 8, Local Governmental Units - Elections (April 2, 2011). Representative Jackson moved approval, seconded by Senator Alario, and without objection, Items 3 through 8 were approved.

Mr. Kling provided a synopsis on Item 9, Caddo Parish, Fire District No. 1. Representative Jackson moved approval, seconded by Senator Alario, and without objection, Item 9 was approved.

Mr. Kling provided a synopsis on Item 10, Caddo Parish, Fire District No. 6. Representative Jackson moved approval, seconded by Senator Alario, and without objection, Item 10 was approved.

Mr. Kling provided a synopsis on Item 11, St. Charles Parish, Hospital Service District No. 1. Additional information was provided by Fred Martinez, Jr., CEO, St. Charles Parish Hospital. Senator Alario moved approval, seconded by Representative Jackson, and without objection, Item 11 was approved.

Mr. Kling provided a synopsis on Item 12, St. Helena Parish, Hospital Service District No. 1. Additional information was provided, from the audience, by L. J. Pecot, CEO and Administrator, St. Helena Parish Hospital and Ken Cox, CFO, St. Helena Parish Hospital. Senator Alario moved approval, seconded by Representative Jackson, and without objection, Item 12 was approved.

Mr. Kling provided a synopsis on Item 13, St. John the Baptist Parish Council. Representative Jackson moved approval, seconded by Senator Alario, and without objection, Item 13 was approved.

Mr. Kling provided a synopsis on Items 14 through 20, Local Political Subdivisions - Loans/Bonds - Final Approval - Taxable Qualified School Construction (QSCB) ARRA Program. Representative Jackson moved approval on Items 14 through 20, with conditional approval on Items 15 and 19 contingent upon receipt and verification of the Allocation Letter from the Department of Education providing for a Qualified School Construction Bond allocation to the Avoyelles and Tangipahoa Parish School Boards, respectively. The motion was seconded by Senator Alario, and without objection, Items 14 through 20 were approved, with Items 15 and 19 being conditionally approved.

Mr. Kling provided a synopsis on Item 21, Lafayette Parish School Board. Representative Jackson moved approval, seconded by Senator Alario, and without objection, Item 21 was approved.

Mr. Kling provided a synopsis on Item 22, St. Landry Parish, Town of Melville. Representative Jackson moved for conditional approval contingent upon verification of the amended certified ordinance adopted by the Town authorizing additional security of a 1.2% sales tax, which was adopted on December 14, 2010. The motion was seconded by Senator Alario, and without objection, Item 22 was conditionally approved.

Mr. Kling provided a synopsis on Item 23, Union Parish Law Enforcement District. Representative Jackson moved approval, seconded by Senator Alario, and without objection, Item 23 was approved.

Mr. Kling provided a synopsis on Item 24, Vernon Parish School Board, Wardwide School District No. 161, Ward 6. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 24 was approved.

Mr. Kling provided a synopsis on Item 25, Louisiana Community Development Authority (Woman's Hospital Foundation Project). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 25 was approved.

Mr. Kling provided a synopsis on Item 26, Louisiana Community Development Authority (Iberville Parish Public School System Project). Additional information was provided by Donnie Cunningham, Bond Counsel, Crawford Lewis, PLLC. Speaker Tucker moved for conditional approval contingent upon receipt and verification of the amended Trust Indenture and Loan Agreement that does not contain Minimum Foundation Payments in the security. The motion was seconded by Senator Alario, and without objection, Item 26 was conditionally approved.

Mr. Kling provided a synopsis on Item 27, Calcasieu Parish Public Trust Authority (Lake Charles City Court Project). Speaker Tucker moved for conditional approval contingent upon adoption and subsequent verification of an amended resolution by the Lake Charles City Council authorizing the incurrence of the debt, which is scheduled to be adopted on January 5, 2011. The motion was seconded by Senator Alario, and without objection, Item 27 was conditionally approved.

Mr. Kling provided a synopsis on Item 28, St. Tammany Parish Development District (Main St. Holdings of St. Tammany, LLC Project). Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 28 was approved.

Mr. Kling provided a synopsis on Item 29, St. John the Baptist Parish School Board, School District No. 1. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 29 was approved.

Mr. Kling provided a synopsis on Item 30, Sabine Parish School Board, Zwolle School District No. 61. Speaker Tucker moved approval, seconded by Senator Alario, and without objection, Item 30 was approved.

Mr. Kling advised Items 31 and 32 would be considered in a different order than reflected on the agenda.

Mr. Kling provided an updated status report on Item 33, GO Zone Status and Allocation Discussion and a synopsis on Item 31, Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project). Additional information was provided by Stephen Moret, Secretary, Louisiana Economic Development; Ray Cornelius, Bond Counsel, Adams and Reese, LLP; Fred Chevalier, Bond Counsel, Jones Walker, LLP; and Meredith Hathorn, Bond Counsel, Foley & Judell, LLP. Senator Alario moved approved, seconded by Lt. Governor Dardenne, and without objection, the motion was approved.

Additional discussion transpired on the impact of recent IRS publication regarding GO Zone bonds issued in a drawn down structure and pending federal legislation to extend the GO Zone Program. Senator Alario moved to amend the motion on Item 31 to allocate \$161 million to Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project) and \$100 million to St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project), contingent upon extension of the GO Zone program. In the event the GO Zone Program is not extended, the \$100 million allocated to St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) reverts to Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project). The motion was seconded by Lt. Governor Dardenne, and without objection, the motion was conditionally approved.

Additional discussion transpired on St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) regarding the GO Zone allocation. Senator Alario moved to amend the motion on Item 31 to allocate \$161 million to Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project) and to accept the amended allocation return from St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project), thereby allowing \$100,000,000 of the unused GO Zone allocation to remain with the St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project). The motion was contingent upon extension of the GO Zone program and in the event the GO Zone program is not extended, the \$100 million remaining with St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) reverts to Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project). The motion was seconded by Lt. Governor Dardenne, and without objection, the motion was approved. After further discussion, it was decided the motion would be reconsidered later during the meeting.

Senator Murray moved to add S10-064 Louisiana Housing Finance Agency (Blue Plate Lofts Project) to the agenda. The motion was seconded by Speaker Tucker, and by a unanimous roll call vote, the item was added to the agenda. Treasure Kennedy asked for public comment, hearing no public comment, additional information was provided by Tara Hernandez, President, JCH Development and Pres Kabacoff, CEO, HRI Properties. Senator Murray moved for conditional approval contingent upon Bond Commission staff review and approval of the application. The motion was seconded by Representative Arnold, and without objection, the added item was conditionally approved.

Mr. Kling provided a synopsis on Item 32, Louisiana Stadium and Exposition District. Additional information was provided by Meredith Hathorn, Bond Counsel, Foley & Judell, LLP. Senator Alario moved approval, seconded by Speaker Tucker, and without objection, Item 32 was approved.

Mr. Kling advised the motion on Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project) and St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) would be reconsidered. Additional information was provided by Ray Cornelius, Bond Counsel, Adams and Reese, LLP and Fred Chevalier, Bond Counsel, Jones Walker, LLP. Lt. Governor Dardenne offered a substitute motion to approve Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project) for \$300 million bond issuance with a GO Zone allocation of \$161 million and any additional allocation up to a total of \$300 million and to accept the amended allocation return from St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project), thereby allowing \$100,000,000 of the unused GO Zone allocation to remain with the St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project). The motion was contingent upon extension of the GO Zone program by midnight on December 24, 2010 and in the event the GO Zone program is not extended by the deadline, the \$100 million remaining with St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) reverts to Lake Charles Harbor and Terminal District (Lake Charles Cogeneration, LLC Project) and St. Tammany Parish Development District (Slidell Development Company, L.L.C. Project) is directed to file an amended IRS Form 8038. The motion was seconded by Senator Alario with an objection by Senator Murray. After a roll call vote of 7 to 1, the substitute motion was approved.

On the motion of the Chairman and without any objection, the meeting was adjourned.

(A verbatim transcript is available with the Bond Commission.)